

Ser. No. 09/604,698
Atty. Ref. Carr-P1-00
Art Unit 3691

no anticipation.

Attention is drawn to the italicized portion of the title of Wilcox: "System and Method... Rebate in the form of an Additional Payment *Toward an Outstanding Loan Principal...*" Attention is also drawn to the repeated mention in Wilcox regarding the payment being directed toward outstanding loan principal to reduce the overall cost of the installment loan. There is no mention or means disclosed in Wilcox that directs a payment to anything including interest.

Claims 3, 6-16, 20-27, 30-31, 34, 37-46, and 49 have been rejected pursuant to 35 U.S.C. Sec. 103. The Examiner contends that these claims are obvious for the reasons cited in the Office Action, all involving Wilcox. However, the 103 rejection is premised on the misconception that Wilcox discloses Applicant's claimed mortgage including interest. To the contrary, Wilcox teaches away from the claimed invention at Col. 1. lines 21-30:

Many consumers have installment loans, e.g. mortgage loans, whereby they repay the principal amount borrowed along with interest over time to a lending institution. While most installment loans, including mortgage loans, permit borrowers to repay principal without a penalty, the typical borrower rarely does so voluntarily, notwithstanding the fact that the *early payment of principal can significantly reduce the amount paid to the lending institution by reducing the amount of interest accrued on the installment loan*.

(Emphasis added.)

If a payment were directed to a mortgage including interest, as claimed by Applicant, the payment directed to the interest would compromise *early payment of principal*, and thus be contrary to the quoted teaching of Wilcox. Wilcox has repeatedly and intentionally carved out payment as being made only to principal (again see the title of Wilcox and what he is seeking to accomplish in the above-quoted portion of Wilcox. Wilcox thusly teaches away from Applicant's claimed invention.

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Further, no means is disclosed in any of the cited art that facilitates crediting the reward to the mortgage, including interest... and evidence of obviousness, in view of the evidence of Wilcox teaching away from this feature, is insufficient to withhold a patent. Accordingly, a case of prima facie obviousness has not been made out based on the cited art.

In sum, the cited evidence does not disclose all claim elements, and therefore there can be no anticipation of the claims rejected pursuant to Sec. 102. The Sec. 103 rejection builds on the absence of claim requirement disclosure in Wilcox, such that a prima facie case of obviousness has not been shown based on the cited evidence. Thus, the Sec. 103 rejections are respectfully traversed because:

- (1) all claim requirements have not been shown in the cited art;
- (2) the contended combination of teachings to reach the claimed invention would change the principals of operation of the devices shown in the respective art; and
- (3) no motivation or suggestion has been shown in the art that, as of the date of the instant application, would have prompted one skilled in the art to make the combination to reach the claimed invention.

Applicant is happy to offer another personal or telephone interview if it might further prosecution.

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III. CONCLUSION

The application is believed to be in condition for allowance, and favorable action is requested.

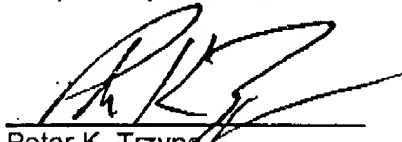
APPLICANT CLAIMS SMALL ENTITY STATUS. The Commissioner is hereby authorized to charge any fees associated with the above-identified patent application or credit any overcharges to Deposit Account No. 50-0235, and if any extension of time is needed to reply to said office action, this shall be deemed a petition therefor.

If the prosecution of this case can be in any way advanced by a telephone discussion, the Examiner is requested to call the undersigned at (312) 240-0824.

Respectfully submitted,

Date: May 3, 2007

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